

§ 1902.11

the number, and date of the check will be inserted on all bills of sale, invoices, receipts, and itemized statements for materials, equipment, and services.

(5) Bills of sale, and so forth, may be returned to the borrower with the cancelled check for the payment of the bill.

(6) Checks to be drawn on a supervised bank account will bear the legend:

Countersigned, not as co-maker or endorser.

(Title)

Farmers Home Administration or its
successor agency under Public Law 103-354

[46 FR 36106, July 14, 1981, as amended at 54 FR 47959, Nov. 20, 1989]

§ 1902.11 District and county office records.

A record of funds deposited in a supervised bank account will be maintained on Form FmHA or its successor agency under Public Law 103-354 402-2 in accordance with the FMI. The record of funds provided for operating purposes by another creditor or grantor will be on a separate Form FmHA or its successor agency under Public Law 103-354 402-2 so that they can be clearly identified.

[46 FR 36106, July 14, 1981, as amended at 51 FR 12308, Apr. 10, 1986]

§§ 1902.12-1902.13 [Reserved]

§ 1902.14 Reconciliation of accounts.

(a) A checking account statement will be obtained periodically in accordance with established practices in the area. If the checking account statement does not include sufficient information to reconcile the account (the name of the payee or the check number and the amount of each check, i.e., a negotiable demand draft drawn on a financial institution), the original cancelled check or either a microfilm copy or other reasonable facsimile of the cancelled check must be provided to the District or County Office with the statement. Checking account statements will be reconciled promptly with District or County Office records. The person making the reconciliation will

7 CFR Ch. XVIII (1-1-04 Edition)

initial the record and indicate the date of the action.

(b) All checking account statements and, if necessary, original cancelled checks or either a microfilm copy or other reasonable facsimile of the cancelled checks will be forwarded immediately to the borrower when bank statements and District or County Office records are in agreement. If a transmittal is used, Form FmHA or its successor agency under Public Law 103-354 140-4, "Transmittal of Documents," is prescribed for that purpose.

(c) If the Financial Institution did not return the original cancelled check(s) to the Agency with the statements, and FmHA or its successor agency under Public Law 103-354 has a need for the original cancelled check(s) the Financial Institution, upon request by the Agency, will furnish to the Agency the requested original cancelled check(s) or a certified microfilmed copy or other reasonable certified facsimile of the cancelled check(s) and will provide this service to the Farmers Home Administration or its successor agency under Public Law 103-354 with no fees being assessed the Agency or the Depositor's account for the service.

[53 FR 35671, Sept. 14, 1988, as amended at 55 FR 21524, May 25, 1990]

§ 1902.15 Closing accounts.

When FmHA or its successor agency under Public Law 103-354 loan or grant funds and those of any other lender or grantor have all been properly expended or withdrawn, Form FmHA or its successor agency under Public Law 103-354 402-6 may be used to give FmHA or its successor agency under Public Law 103-354's consent (and of another lender or grantor, if involved) to close the supervised bank account in the following situations:

(a) When FmHA or its successor agency under Public Law 103-354 loan funds in the supervised bank account of a borrower have been reduced to \$100 or less, and a check for the unexpended balance has been issued to the borrower to be used for authorized purposes.

(b) For all loans accounts, except loans listed in §1902.15(c) of this section, after completion of authorized